हुआ होगा, एक दो महीने चलता होगा। लेकिन जो आपका प्रदूषण विभाग है उन्होंने इस तरह की जांच क्या पहले की है ? मैं इसलिए इस सवाल को पूछना चाहता हूं कि धनबाद ...

श्री सभापति : धनबाद नहीं आता है।

श्री जगदम्बी प्रसाद यादव : मैं साफ कर देता हूं।

श्री सभापति : जी नहीं। आप प्रश्न पर रहिए। प्रश्न आपका मैंने समझ लिया है। बस वे जवाब दे रहे है कि आपने इसके पहले पूछा या इसके बाद मे पूछा।

श्री जगदम्बी प्रसाद यादव : मैं प्रश्न का बैकग्राउंड तो समझा दूं।

श्री सभापति : सप्लीमेंटरी इज नाट फार बैकग्राउंड। दो मिनट हो गये आपके। आप जवाब दे दीजिए।

श्री जेड आर० अंसारी जनाबेवाला जहां तक वाटर और एयर पोल्यूशन का सवाल है, उसकी मानिट्रिंग मुस्तकिल तौर पर, खास तौर पर उन स्ट्रैटेजिक प्वाइंट्स पर, जहां कि पोल्यूशन की सभावना बहुत ज्यादा होती है, हमारे स्टेट पोल्यूशन कंट्रोल बोर्ड के द्वारा और सेंट्रल पोल्यूशन कंट्रोल बोर्ड के द्वारा भी होती रही है।

इस लेख के निकलने और न निकलने से उसके ऊपर कोई असर नहीं पड़ता। लेख न भी निकलता, तब भी उसकी मानिट्रिंग हम करते है और जो वाटर सप्लाई होता है, उसमें क्या-क्या चीजे है, जो हानिकारक हो सकती है, उनको हम पूरे तौर पर टेस्ट करवाते है और उसकी बुनियाद के ऊपर हम कह सकते हैं कि जो पानी सप्लाई हो रहा है, वह सेफ ड्रिंकिंग वाटर है।

श्री धर्मचन्द प्रशान्त : सभापति जी, मैं मंत्री जी से यह पूछना चाहूंगा कि आपने जो खंडन किया है कि इस्पात नगरी में ऐसी कोई बीमारी नहीं है, क्या यह खंडन मध्य प्रदेश सरकार ने भी किया है या केंद्र सरकार का ही ऐसा मत है ?

श्री जेड० आर० अंसारी : मैंने आपसे अर्ज किया कि यह बीमारी का मामला हमसे ताल्लुक नहीं रखता है। दरहकीकत यह हैल्थ मिनिस्ट्री से ताल्लुक रखता है।

श्री सभापति : वह पूछ रहे है कि स्टेट गवर्नमेंट ने कंट्राडिक्ट किया है या नहीं ?

श्री जेड आर अंसारी : मैं वही अर्ज कर रहा हूं—जब वह सवाल आ गया, तो वहां के स्टेट गवर्नमेंट से, वहां के कलेक्टर से, वहां के मेडिकल आफिसर से—उन सब से रिपोर्ट मंगवाई और उसकी ही बुनियाद पर मैंने यह जवाब दिया है।

Amendments in FERA

*443 SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 1155 given in the Rajya Sabha on the 5th March 1987 and state.

(a) what are the proposals which are at present pending with the Central Government for examination for amending of the Foreign Exchange Regulation Act;

(b) whether Government have since been able to concretise their proposals for further action; and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K GADHVI): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) In order to remove the deficiencies and inadequacies experienced in the administration of the

Foreign Exchange Regulation Act 1973 and to further refine the legislation, certain proposals to amend a few provisions of the Act are under consideration of the Government. Examination of the intricate legal issues involved and the feasibility of the proposals has already been completed in consultation with the Ministry of Law. Though this is a time consuming process, a final decision on these proposals is likely to be taken soon. However, it would not be advisable in the public interest, to give the details of these proposals at this stage.

SHRI CHITTA BASU: Sir, the statement conceals everything and reveals nothing I am in this predicament....

MR. CHAIRMAN. You mean that is vital?

SHRI CHITTA BASU: Since there is no positive information in the statement, I will have to make certain assumptions and ask questions May I know from the hon. Minister whether the Government at present is considering any proposal for amnesty for the FERA violations and also considering a proposal of diluting the FERA instead of strengthening or adding new teeth to it?

SHRI B. K. GADHVI: At present there is no proposal of considering any amnesty so far as FERA violations are concerned. So far as diluting the provisions of FERA are concerned, we received certain suggestions from FICCI and other trading organisations but Government do not want to dilute FERA but on the contrary wish that FERA is more strengthened and some of the corrective measures are under contemplation.

SHRI CHITTA BASU: Sir, I think you know deposits of illegal money in foreign banks has a very harmful and painful impact on the national economy and it is reported widely, and this House had the opportunity of knowing, debating and discussing it, that a huge sum of money is deposited in Swiss Banks and other foreign banks. These monies are created by violation of FERA and a Reserve Bank team had been to Sweden to investigate into the matter and know about the modus operandi in knowing the details of the accounts which are being held in code names. Some of the names are 'Lotus' etc etc. Did the Reserve Bank team submit its report? Did the team submit any proposal after knowing the real names of the account holders in Swiss bank where huge sums of money have been deposited in fake names?

SHRI B. K GADHVI. Sir, this august House is aware and also the hon. Member is aware that Swiss Banks have got their own codes and therefore when we sent our team, they came out with certain proposals of reaching a memorandum of understanding between the Government of Switzerland and Government of India but it is still not finalised. They are very strict in revealing the facts about the accounts of people. Therefore, we have come to an understanding with that foreign country for that purpose. Time and again, in this House it has been answered that we are trying for that purpose. So far as the Indian side is concerned, through the Reserve Bank, through our other policies and regulations, we are trying to see that there is no siphoning off of amounts outside India. For that purpose, we are contemplating to introduce certain amendments.

SHRI CHITTA BASU: Mr. Chairman, if you permit, I want to seek some clarifications arising out of his reply.

MR. CHAIRMAN It would be a bad precedent. If I permit you, then everybody will ask why I do it for you alone.

श्री चतुरानन मिश्र : सभापति महोदय, अभी माननीय मंत्री जी ने कहा कि सरकार का कोई ऐसा इरादा नहीं है कि फेरा वायलेशन करने वाले को एम्नेस्टी दें। लेकिन पिछले दिनों में सरकार ने

एम्नेस्टी दी है और एल० एन० थापर के केस में अभी सरकार ने जो एफीडेविट हाई कोर्ट मे फाइल किया उसमे कहा है कि हमने अभी मुआफी उनको नही दी, तो इस तरह से बहुत से लोग है बाटा है, किर्लोस्कर है और दूसरे लोगो को, तो मै सरकार से जानना चाहता हू कि आपने जिन लोगो को इलीगल एम्नेस्टी दी थी वह आपको राइट नही है जैसा कि आपने इस केस मे स्वीकार किया है। य लोग करोडो करोड रुपये गबन किए है और इन्होने स्वीकार भी कर लिया है और इस अकाल के टाइम मे भी आप उनसे नही ले रहे है। मैं सरकार से यह जानना चाहता हू कि जिन लोगों को जनरल एम्नेस्टी आपने दी थी उनके बारे में क्या कोई रिव्यू कर रहे हैं? या उसके इलीगल काम को और जो इलीगल आपने किया था उसको लीगलाइज किया जाएगा? उन पर मुकदमा चलाईयेगा?

SHRI B K GADHVI: Sir, the supplementary is a brilliant one, but it is irrelevant Even then, for your information, I would say that we have not given illegal amnesty to any one In the past, the Reserve Bank had made an amnesty scheme. But the scheme is already over And now, the Government do not intend to give amnesty so far as FERA violation is concerned.

SHRI CHATURANAN MISHRA You have said in the Court, in the affidavit filed in the L. N. Thapar case, that you have given no amnesty to anybody. The scheme itself is illegal. Are you going to take legal action now?

SHRI B K GADHVI. A running argument is not permissible But still, I would like to say that we have not given anybody illegal amnesty Even with regard to Thapar, the Government has issued notices. We are processing the matter.

SHRI CHATURANAN MISHRA You have said, 'We have not closed the chapter We have suspended the chapter The chapter stands suspended.' What do you say about that?

SHRI B K. GADHVI: I do not think we have suspended the chapter.

DR G. VIJAYA MOHAN REDDY The FERA is not effective because the methods that are used are under-invoicing and over-invoicing. There is a general talk that in every deal there are kickbacks That is the method of trade with foreign countries. That has been stated also on the floor of the House by the treasury benches What are the profits in joint ventures? According the estimate of your own Ministry Rs 20,000 crores of this country have flown out How are you going to take action on all these things? What is the methodology you are going to implement through your amendments to the FERA?

SHRI B K GADHVI: It is not correct to say that FERA is not effective I can given the figures. Our Director of Enforcement is taking various steps to apprehend the people who are violating the rules and regulations Quite a number of prosecutions have been launched. A number of people have been convicted. Many penalties have been imposed Our constant endeavour is to catch those people who are violating the FERA regulations

SHRI CHIMANBHAI MEHTA: Sir, in the answer it is said that it is not in public interest to disclose the proposal that they are trying to formulate Now I fail to understand how does the question of public interest come in This is the question of a law which they are going to bring in here Anyway, I can understand our limitations. The Minister has the right to reply the way he likes. Under that protection, they are covering many things The High Court has said that amnesty proposal is illegal. I would like to know whether they are going to cover this

in the Act itself and whether amended clauses would be inserted into it and retrospective effect would be given so that Mr Thapar can get an acquittal. This is my question Let him make it clear.

SHRI B. K GADHVI: Sir, it is not correct to say that the Minister is free to give the answer in any way The Minister is obliged to give the correct answer. So far as the statement is concerned, we have said what corrective measures or whatever amendments.

SHRI CHIMANBHAI MEHTA: What is the public interest involved in this?

SHRI B. K GADHVI: If you go on speaking, then I won't reply.

SHRI CHIMANBHAI MEHTA: If it is your prerogative to behave like this, then behave like this

SHRI B. K GADHVI: You should stand up and then put your question That is the decorum of the House.

SHRI CHIMANBHAI MEHTA: Are you obliging me?

SHRI B. K. GADHVI: If a Member speaks while sitting, then it does not attract our attention

So far as public interest is concerned, we are contemplating measure to make it more foolproof and more effective. If we divulge the line of our thinking or if we give them before hand a hint or a feeler, then they will find their own ways and means of how to countermand it. We have to deal with criminale. Therefore, it is in public interest not to disclose it

SHRI NIRMAL CHATTERJEE: In your reply you have said that it would take time How much of time will it take?

SHRI NIRMAL CHATTERJEE: I perfectly understand the Minister's statement that the policies are quite effective The aim of the policy is that money flows out in Swiss banks. I also appreciate that in public interest.

MR. CHAIRMAN: Appreciation is good. But what are you asking?

SHRI NIRMAL CHATTERJEE: I will fulfil the target of two minutes.

MR. CHAIRMAN: There is a limit.

SHRI NIRMAL CHATTERJEE: There is a limit and I will keep below that in public interest. We cannot say what the amendments precisely are. They want to inflict a surprise on the evaders.

My question is What are the deficiencies and inadequacies experienced which you are trying to tackle"

SHRI B K. GADHVI: Sir, the hon. Member is quite aware that a Committee was constituted to examine the FERA Act itself under Mr. Ghosh, Deputy Governor of the Reserve Bank of India. They had gone through the Act. They have suggested certain amendments in procedural matters as well as some amendments to the sections. They have pointed out certain deficiencies and suggested certain corrective measures. We are considering them. I have stated that it would be very difficult for us to reveal.

SHRI NIRMAL CHATTERJEE: But what are they? .(*Interruptions*)

SHRI JAGESH DESAI: Sir, can't he just narrate them?.. (*Interruptions*) ..

SHRI NIRMAL CHATTERJEE: Mr. Minister, you need not mention the amendments. But at least you can tell as to what you are going to do (*Interruptions*)

MR. CHAIRMAN Mr Vajpayee.

SHRI NIRMAL CHATTERJEE: Sir. he has not replied to my question You should take into account the condition of the questioner also

MR. CHAIRMAN: He has already said that it is not in the public interest to disclose

SHRI NIRMAL CHATTERJEE: That is all right. Sir, But what are the deficiencies and inadequacies? I am just asking what the deficiencies

and inadequacies are which they have experienced. I do not want him to state all the amendments. He himself has said that there are certain inadequacies and deficiencies. So, what are they? Let them say what they are How they are going to tackle it as whether they will tackle it at all, I don't want to know.

SHRI B. K GADHVI: Sir, just by way of illustration I would say that even the scope of definition of the term "foreign currency" needs to be expanded. Then, with regard to section 26, Indian companies on behalf of non-resident companies also, regulations and guarantees, etc., all these need to be looked into.

SHRI NIRMAL CHATTERJEE: That is all Sir?... (*Interruptions*).

MR CHAIRMAN: Mr. Jagesh Desai.

श्री अटल बिहारी वाजपेयी सभापति जी, क्या यह सच है कि यदि कोई व्यक्ति फेरा का उल्लंघन कर के विदेश चला जाय तो एक्स्ट्राडिशन ट्रीटी के अंतर्गत उसे वापिस नही लाया जा सकता ? यह इसलिए क्योकि फेरा उतना गभीर अपराध नही बनाता है जिसके अनुसार ट्रीटी के अंतर्गत उसे वापिस लाने का आधार बन सके। मान्यवर, हत्या कर के कोई चला जाय तो हम उसे वापिस मंगा सकते है, लेकिन फेरा का उल्लघन करके चला जाय तो उस पर एक्स्ट्राडिशन ट्रीटी लागू नही होता है। क्या सरकार ने इस सवाल पर विचार किया है और क्या कानून को कड़ा बनाया जाएगा जिससे कि जो फेरा का उल्लघन करके जाते है, उन्हे ट्रीटी के अतर्गत वापिस लाया जा सके ?

श्री नारायण दत्त तिवारी : श्रीमन्, सम्मानित सदस्य भलीभांति अवगत है कि जो एक्स्ट्राडिशन सम्बधी संधिया हुआ करती हैं, वह द्विपक्षीय होती है। इसमे केवल हमारा पक्ष ही महत्व का नही होना बल्कि दूसरा पक्ष भी महत्वपूर्ण होता है। इसलिए हमे यह प्रयास करना होगा कि जो द्विपक्षीय सधि दूसरे देशो से होती है उसमे ही संशोधन करने का प्रयास किया जाये जिसके लिए दूसरे देश तैयार नही होते क्योकि उनके नियमो के अतर्गत इस प्रकार के उल्लघन की व्यवस्था नही होती। लेकिन माननीय सदस्य ने जो सुझाव दिया है, उसको अवश्य ध्यान म रखा जाएगा।

MR. CHAIRMAN: Yes, Mr. Jagesh Desai.

SHRI JAGESH DESAI: Sir, first of all, I am very sorry to say that the answer given is not satisfactory (*Interruptions*).

श्री सभापति : आप सवाल पूछिए, कमेंट्स मत करिए।

SHRI JAGESH DESAI: I will come to the question now sir.

MR. CHAIRMAN: This is not the time for commenting; this is Question Hour. Come to your question.

SHRI JAGESH DESAI: Sir, the main thrust of the answer is to remove the deficiencies and inadequacies experienced so far. That is the main reason for which they are going to amend the Act. In the reply itself, Sir, it has been said that they want to refine it. I would like to know from the honourable Minister whether he is going to make the provisions more deterrent and whether he is going to give more teeth or whether they are going to refine it simply I want to know whether the Government is going to plug the loopholes, the known loopholes that are there in the Act. That is the main question that arises out of this. Therefore, I would like to know from the honourable Minister whether it is only for removing the deficiences and inadequacies or for making it more deterrent and if it is for the latter purpose I would like to know what the provisions are for this purpose. But he has said that if they are known, then those who want to indulge in violations will come to know of them and will know how to take advantage of the loopholes and he says that it is not in the public interest to disclose them. I do not agree. He must disclose them.

MR. CHAIRMAN: If the loopholes are known, then they will escape through the loopholes.

SHRI B. K. GADHVI: Sir, although the statement has been laid on the Table of the House, again, for the benefit of the honourable Member and my friend, Mr. Jagesh Desai, I would like to say that it has been mentioned in the statement—he can kindly go through the statement—that in order to ... ..

SHRI JAGESH DESAI: I have gone through it.

SHRI B. K. GADHVI: It has been stated therein:

> "In order to remove the deficiencies and inadequacies experienced in the administration of the FERA, 1973, and to further refine the legislation, certain proposals to amend the provisions of the Act are under the consideration of the Government. Government Examination of the intricate legal issues involved and the feasibility of the proposals have already been completed."

AN HON. MEMBER: What is meant by 'refining'?

SHRI B. K. GADHVI: It means to make it stricter and remove loopholes and inadequacies. *(Interruptions)*.

MR CHAIRMAN: It includes making it more stringent Mr. Matto.

SHRI GHULAM RASOOL MATTO: I would like to ask a question which is reverse to what the other Members have asked, that is, with regard to the genuine difficulties felt. Now, that the law is being amended, I would like to bring it to his notice that I know at least two cases from Kashmir when some people had exported goods and the money had to come back within six months. But in the meantime those parties had gone bankrupt—one in Sweden and one in America. They had the goods on credit. It is obligatory on them that the foreign exchange must come. So will the Government also consider amending the provision, now that the process is going on, to see that such genuine difficulties faced by certain people are removed?

SHRI B. K. GADHVI: We will keep this suggestion also in mind.

MR. CHAIRMAN: Next quesetion: 443-A.

Incentives to Leather Industry for Export

@*443-A. SHRI V. NARAYANASAMY. Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that exports of leather and leather products from India to Europe, America and other countries are likely to exceed Rupees one thousand crore this year; and

(b) if so, what are the incentives given by the Central Government to the leather industry for export of leather goods?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) Cash Compensatory Support to re-imburse the incidence of un-rebated taxes, duty drawback, Marketing Development assistance for various promotional activities, an easy access to essential imported inputs under OGL (Open General Licence) with concessional rate of duty extended to most of them, replenishment licences against exports, improvement in productivity and product development

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@Previously Starred Question 424 transferred from the 7th December, 1987.